GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5220
ANSWERED ON:20.04.2001
TAX POLICY
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of FINANCE be pleased to state:

(a) whether Central Board Direct Taxes has received anymemorandum from Indian Broadcasting Foundationregarding tax policy being implemented in India is ambiguous and complex nature;

(b) if so, the details of suggestions made in the memorandum; and

(c) the measures taking/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINJEE N. RAMACHANDRAN)

(a) & (b): Following the withdrawal of the circular issued by Central Board of Direct Taxes (CBDT) layingdown guidelines for presumptive taxation of advertisement income of Foreign Telecasting Companies (FTCs) in India, CBDT has received a proposal from Indian Broadcasting Foundation for introducing a new section in the Income-tax Act to provide a Tax Deduction at Source(TDS) rate of 4.8% on the net advertisement revenue earned from India by FTCs.The above proposal has been made apprehending delays in issuance of withholding certificates for remittance by tax authorities.

(c) CBDT has issued instructions to Chief Commissioner of Income-tax, Delhi & Mumbai to ensure expeditiousissuance of such certificates to FTCs u/s 195/197 of Income-tax Act, 1961.